

Message Text

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67

ACTION COME-00

INFO OCT-01 ARA-10 ISO-00 CIAE-00 EB-07 INR-07 LAB-04

NSAE-00 PA-02 RSC-01 SIL-01 USIA-15 PRS-01 /049 W

----- 074215

R 062133Z JAN 75

FM AMEMBASSY QUITO

TO SECSTATE WASHDC 3912

INFO AMCONSUL GUAYAQUIL

UNCLAS QUITO 0112

E.O. 11652: N/A

TAGS: BEXP, EC

SUBJECT: GUAYAQUIL INTERNATIONAL TRADE FAIR

REF: A. GUAYAQUIL A-4 B. GUAYAQUIL 1408 C. USDOC 17232

D. QUITO 8331 E. STATE 282475

1. EMBASSY AND CONGEN GUAYAQUIL DEFINITELY DO NOT RPT NOT CONCUR WITH COMMERCE TARGET OF TOTAL GROSS INSIDE FLOOR SPACE OF 750 SQ. METERS, (REF. E), REPRESENTING REDUCTION BY OVER THREE-QUARTERS OF 3,350 SQ. METERS OF SPACE PREVIOUSLY CONSIDERED AND NEGOTIATED WITH FAIR AUTHORITIES. WE ARE CONVINCED THAT GUAYAQUIL FAIR WILL PRESENT BEST ONE-TIME OPPORTUNITY DURING NEXT FEW YEARS TO DISPLAY AND SELL VARIETY OF U.S. CAPITAL AND CONSUMER GOODS AND STRONGLY FEEL THAT BOTH POSTS AND COMMERCE SHOULD GIVE THIS EVENT THEIR BEST EFFORT. PRIOR TO MAKING FINAL DECISION, COMMERCE SHOULD GIVE DUE CONSIDERATION

TO FOLLOWING POINTS:

A. IN ACCORDANCE PARA 3, REF. C, GUAYAQUIL HAS BEGUN SOUNDING OUT LOCAL

U.S. SUPPLIER AGENTS AND REPRESENTATIVES ON INTEREST IN OBTAINING SPACE

WITHIN U.S. AS OF DECEMBER 27, POST HAD RECEIVED POSITIVE EXPRESSIONS OF INTEREST FROM 43 RPT 43 LOCAL COMPANIES. THIS DOES NOT INCLUDE RESULTS OF QUERIES TO QUITO-BASED FIRMS (TO FOLLOW).

THIS PARTIAL SOUNDING INDICATES AT LEAST ENOUGH OTM INTEREST TO JUSTIFY LARGER PAVILION. GUAYAQUIL HAS ALSO RECEIVED LETTER FROM UNCLASSIFIED

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BILL DUKE OF MISSISSIPPI MARKETING COUNCIL WHO IS CONSIDERING SEND-

ING DELEGATION OF RIMS FROM THAT STATE AND BOOKING SPACE IN U.S. PAVILION.

B. BUDGET CONSIDERATIONS: ASSUMING SUFFICIENT NTM/NTE AND/OR OTM EXHIBITORS TO FILL 50 - 80 SPACES, OR 3,350 SQ. METERS, AND REIMBURSE-

MENT BY THESE EXHIBITORS TO COMMERCE FOR CONTRACTED SPACE, WE FAIL TO UNDERSTAND HOW COST TO COMMERCE COULD BE MORE THAN MARGINAL FOR CONTRACTING LARGER PAVILION. WOULD ADDITIONAL COST FACTOR OVERRIDE BENEFIT OF INCREASING NUMBER OF U.S.-AGENT EXHIBITORS FROM 25 TO POSSIBLE 80?

C. CHANGE TO SMALLER SPACE WILL REQUIRE RENEGOTIATION WITH FAIR AUTHORITIES AND WE DOUBT THAT MANAGEMENT WOULD BE WILLING TO MAKE SAME OR SIMILAR CONCESSIONS FOR SMALLER SPACE. FURTHERMORE, WE UNDERSTAND ALL EXISTING 750-SQ. METER PAVILIONS ARE ALREADY RESERVED.

D. FINALLY, OUR CONFIDENCE IN GUAYAQUIL FAIR IS BASED NOT ONLY ON GENERAL RESULTS OF LAST FAIR (REF. A) BUT ALSO ON OUR KNOWLEDGE THAT PREVIOUS NATIONAL EXHIBITS HAVE BEEN SUCCESSFUL EXPORT VEHICLES. GOOD EXAMPLE IS ARGENTINA INDUSTRIAL EXPOSITION HELD IN QUITO IN APRIL

1973. (SEE QUITO A-50, 4/13/73). ARGENTINIAN COMATT LATER INFORMED EMBOFF THAT SALES BY 52 ARGENTINIAN EXHIBITORS OR LOCAL REPS WERE EXPECTED TO REACH NEARLY US\$6 MILLION AS RESULT OF EXHIBIT.

2. IN REGARD PRODUCT THEMES, WE BELIEVE INCLUSION OF AGRICULTURAL AND FOOD PROCESSING MACHINERY/EQUIPMENT WOULD BE WELCOME ADDITIONAL CATEGORIES. HOWEVER, CANNOT UNDERSTAND OR AGREE TO DROPPING GRAPHIC ARTS AND BUSINESS SYSTEMS AND EQUIPMENT. WOULD LIKE TO REMIND COMMERCE THAT IT HAD ALREADY APPROVED LATTER CATEGORIES IN STATE 274480. MOREOVER, NO ATTENTION APPARENTLY HAS BEEN GIVEN ADDITIONAL PRODUCT THEMES SUGGESTED BY POSTS IN REFTEL D. WE ARE AWARE, OF COURSE, THAT ADDITIONAL MARKET DATA IS REQUIRED ON THESE CATEGORIES, AND WE ARE MAKING EFFORTS TO PROVIDE THESE; BUT ALSO WISH TO REMIND COMMERCE THAT

ARTHUR D. LITTLE STUDY WILL BE AVAILABLE IN FEBRUARY, HOPEFULLY AS SINGLE BEST SOURCE OF INFORMATION ON SEVERAL PRODUCT GROUPS.

3. POST CANNOT EMPHASIZE TOO STRONGLY OUR DISAPPOINTMENT IF COMMERCE FAILS TO PROVIDE MAXIMUM EFFORT FOR LARGE US PRESENCE AT GUAYAQUIL FAIR. IT WILL BE INDICATIVE TO US THAT ECUADOR CCP IS NOT SO VIABLE MEANS OF INCREASING US SHARE OF ECUADOREAN IMPORTS. WHILE WE CANNOT UNCLASSIFIED

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GUARANTEE RESOUNDING SUCCESS OF LARGE U.S. PAVILION, WE ARE CONVINCED THAT MARKET CONDITIONS HERE MORE THAN JUSTIFY A MAJOR EFFORT.

4. CUSTOMS DATA REQUESTED IN PARA 3 OF REF. H WILL BE FORWARDED BY SEPTTEL.

5. WE WILL APPRECIATE QUICK REPLY TO ABOVE COMMENTS/RECOMMENDATIONS SO THAT WE MAY ACT ACCORDINGLY.

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